

Message Text

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ACTION NEA-16

INFO OCT-01 ISO-00 PM-07 SSO-00 NSC-07 SP-03 SS-20 RSC-01

L-03 H-03 CIAE-00 INR-10 NSAE-00 MC-02 AID-20 OMB-01

TRSE-00 EB-11 ACDA-19 PRS-01 DRC-01 INRE-00 NEAE-00

IGA-02 /128 W

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O 181215Z JUN 74

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC IMMEDIATE 7565

SECDEF WASHDC//ASD/ISA(SA)/DSAA// IMMEDIATE

INFO COE WASHDC IMMEDIATE

HQ DA WASHDC//DALO-IL//DAEN-MCC-G//DUSA// IMMEDIATE

CDR AMC WASHDC//AMCIL//AMCPM-NG// IMMEDIATE

DIVENGR MED LEGHORN ITALY//MDDVE// IMMEDIATE

DISTENGR SA RIYADH SA//AMCPM-NG1//MDSVE// IMMEDIATE

CHUSMTM DHAHRAN SAUDI ARABIA IMMEDIATE

UNCLAS JIDDA 3476

E.O.: 11652: N/A

TAGS: MASS

SUBJ: FMS-SANG

REF : STATE 129463

1. SAG AUTHORITIES FULLY UNDERSTAND THAT USG LETTER OF OFFER IS DEPENDABLE UNDERTAKING CONTRACT WITH CITED COSTS BEING BEST ESTIMATE ONLY, AND SUBJECT TO REVISION AS CONTRACT PROCEEDS. SAG DOES NOT DESIRE MODIFY TERMS OF DD FORM 1513 AS PERTAINS GOVT-TO-GOVT CONTRACT. SAG HAS HAD BAD EXPERIENCE WITH CIVILIAN FIRMS AND DESIRES THAT USG, WHEN ACTING AS AGENT UNDER FMS, PROCURE MATERIALS AND SERVICES FOR SAG IMPOSING STRICTEST POSSIBLE CONTRACTURAL TERMDEON ANY CIVILIAN FIRMS USG DEALS WITH. TO THIS END SAGHCESIRES SOME PROTOCOL OF UNDERSTANDING WHICH WILL SPECIFY MANNER IN WHICH USG WILL SUB-CONTRACT WITH CIVILIAN FIRMS.

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2. SAG DOES NOT EXPECT USG TO BEAR ANY EXPENSE OF ESCALATION. BY

SAME TOKEN SAG DOES NOT WISH TO BE TAKEN TO CLEANERS BY GREEDY OR CARELESS CIVILIAN CONTRACTORS. SAG FULLY EXPECTS ALLOW REASONABLE CLAIMS AND CONTRACT MODIFICATIONS FOR UNFORESEEN EVENTS OR CHANGES.

3. FROM OUR TALKS WITH SAG OFFICIALS IT APPEARED WE WERE VERY CLOSE IN APPROACH TO PROBLEM OF SUB-CONTRACTING AND WE HAD HOPED DOD CLARIFICATION OR MODIFICATION IN WORDING WOULD HAVE BEEN SUFFICIENT TO REACH AGREEMENT. HOWEVER, AS WE SEEM UNABLE TO REACH MEETING OF LEGALISTIC MINDS ON BOTH SIDES, AND AS THIS FMS CASE COULD SET PRECEDENT FOR ALL FUTURE USG-SAG FMS CASES OF SIMILAR NATURE (LARGE PROGRAMS MIXED BETWEEN EQUIPMENT, TRAINING, MAINTENANCE, ETC. INVOLVING MAJOR CIVILIAN SUB-CONTRACTORS) IT APPARENTLY WILL BE NECESSARY FOR DOD TEAM TO COME OUT TO NEGOTIATE THESE LEGALITIES WITH SAG. WE URGE THAT THIS BE DONE ASAP.

4. TEAM CAN PROCEED DIRECT TO RIYADH IF DESIRED AS SANG AND MOF OFFICIALS CONCERNED ARE LOCATED THERE. PLEASE ADVISE SANG PROJECT MANAGER C/O DISTENGR RIYADH OF ARRIVAL WITH INFO EMBASSY JIDDA.

AKINS

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NNN

Message Attributes

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